



**Best Brands. Best Prices. Guaranteed.**



**CMSgt Dale Myers**  
**AAFES, Senior Enlisted Representative**  
**[myersdl@aafes.com](mailto:myersdl@aafes.com)**

# ***Mission***

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- **Provide quality merchandise and services of necessity and convenience to authorized patrons at uniformly low prices**
- **Generate reasonable earnings to supplement appropriated funds for the support of Army and Air Force Morale, Welfare and Recreation programs**

# ***Objective***

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- **Establish a business relationship between AAFES and Sergeant Majors to:**
  - **Promote beneficial partnerships with your installations “Win-Win”**
  - **Ensure AAFES is delivering a benefit to your soldiers!**
  - **Open an enlisted channel of communication**



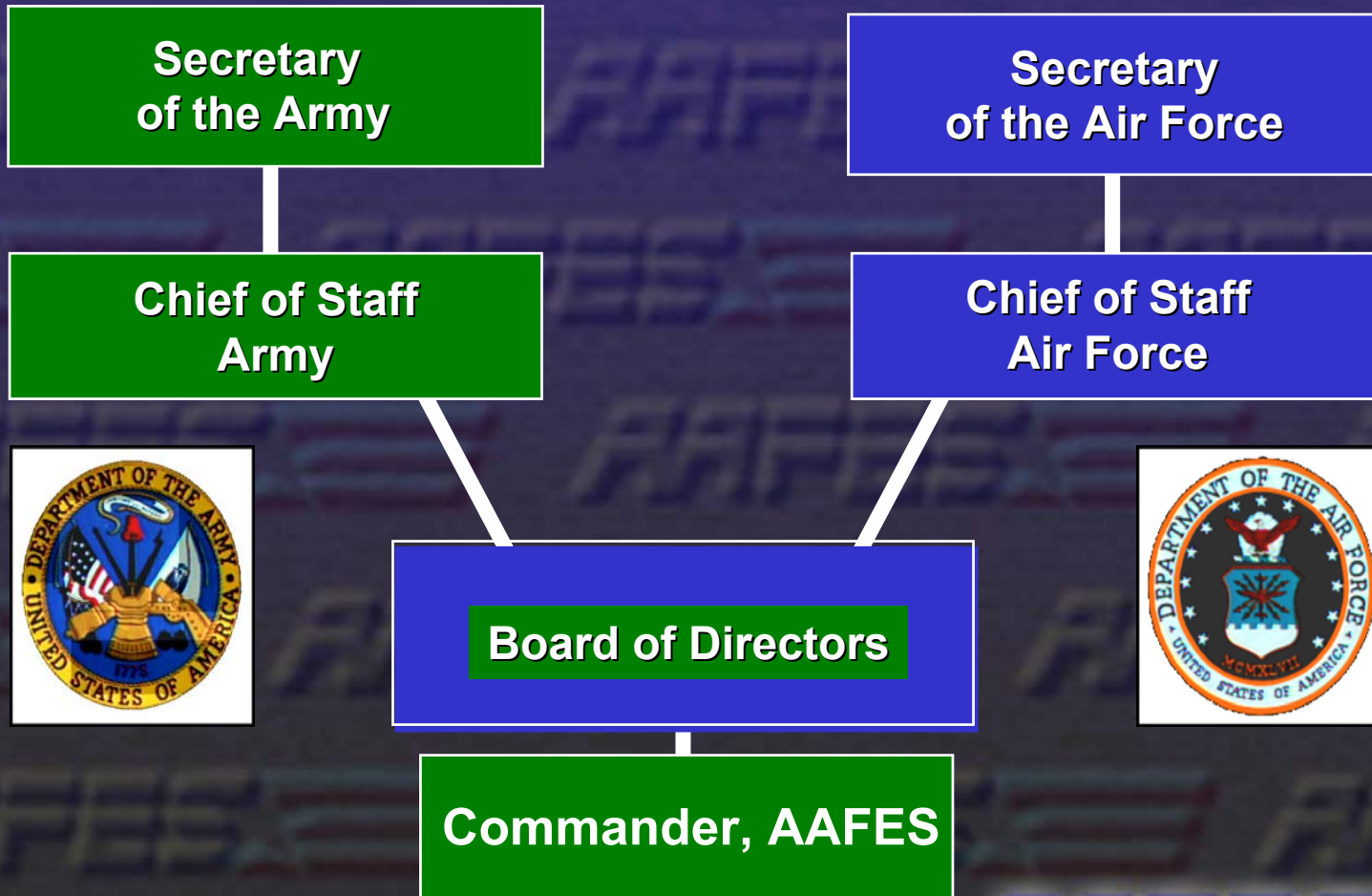
# Congress



**Authorizes:**

- ✓ **Customers**
- ✓ **Merchandise**
- ✓ **Price limits**

# ***Governing Body***





# ***Board of Directors***

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**BOD Chairman  
LTG Mahan  
DCSLOG  
USA**

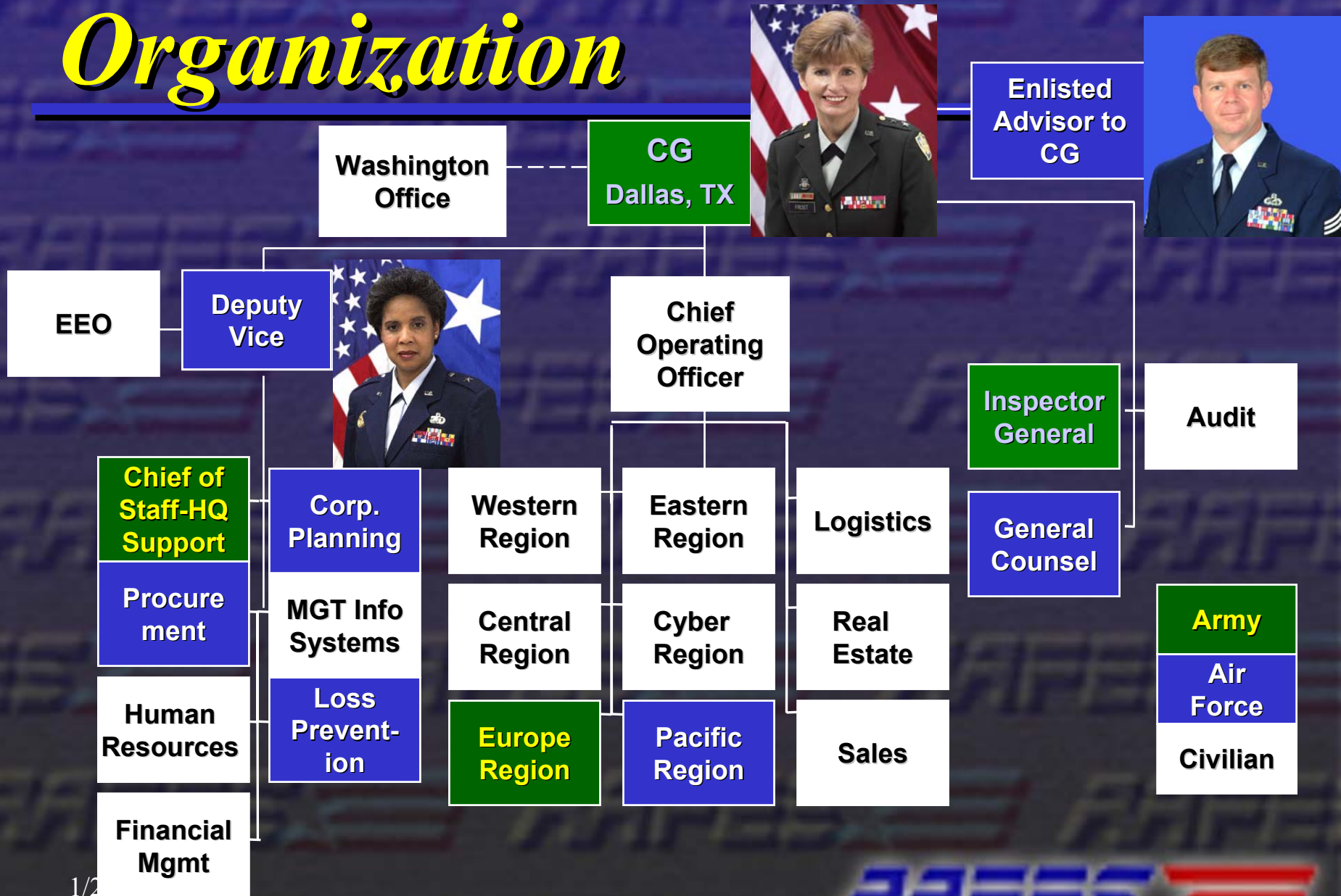


**Lt Gen Zettler  
DCS, IL  
USAF**

## **Board Membership**

- **DCS, IL**
- **SAF/MIM**
- **SAF/FMB**
- **Dir, AF Services**
- **PAC-Rim Rep**
- **SAF FMBO**
- **At Large: Junior Officer**
- **CMSgt of the Air Force**
- **DCSLOG**
- **DASA (MPP&EOP)**
- **CDR, CMTY FAM SPT CTR**
- **ADCSPER**
- **CHMN, Overseas Council**
- **Dir, Army Budget**
- **At Large: Dep CG, FORSCOM**
- **SGM of the Army**
- **Guard/Reserve Representative**
  - **Commander, AAFES**

# Organization





# ***AAFES-Global***

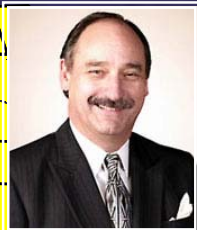
## ***EUROPE***

## ***CONUS***

## ***PACIFIC***

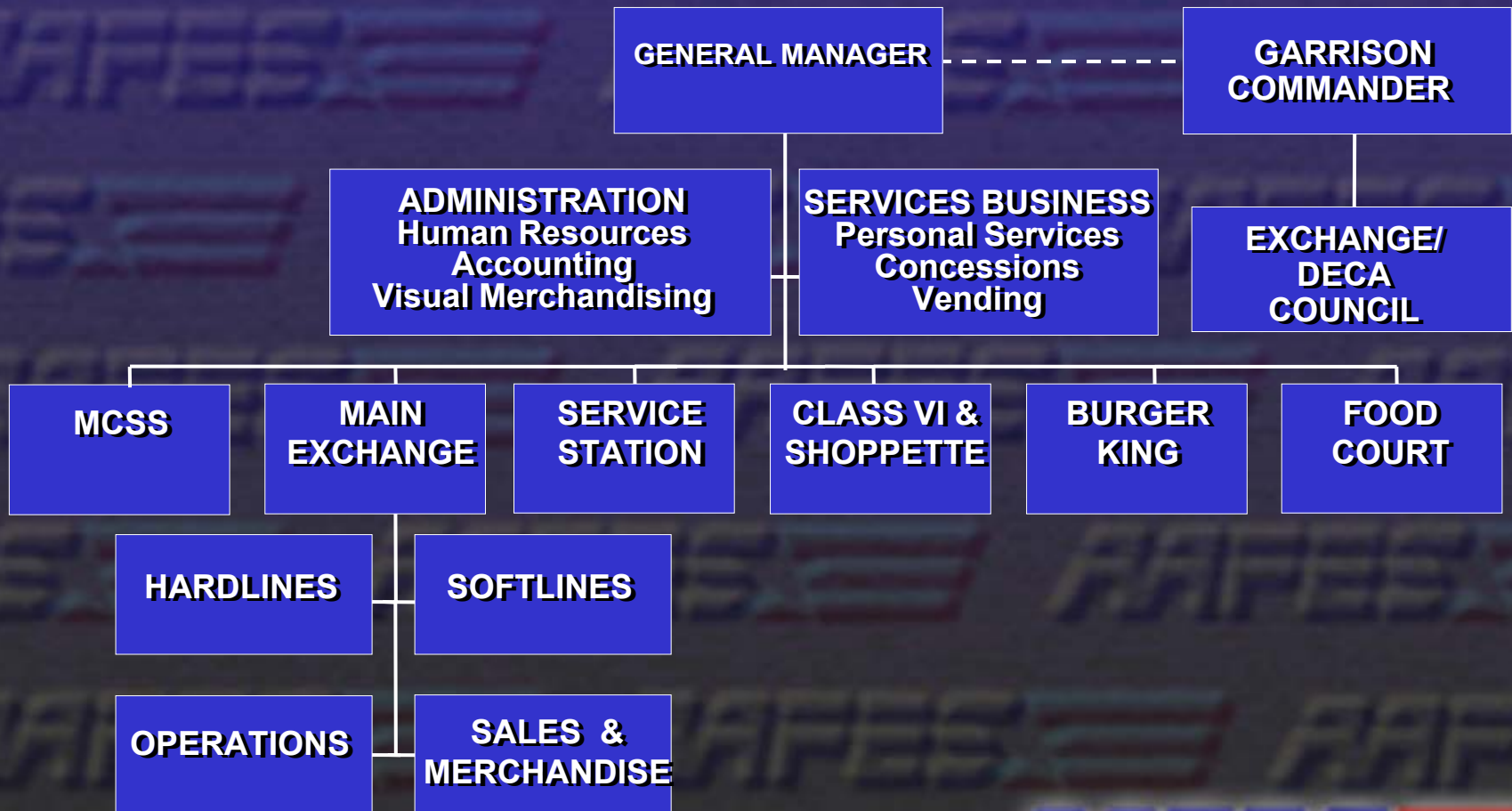
## ***CYBER***

*MG K.G. Frost  
Commander  
24 October 2002*





# ***Installation Exchange Organization***



1/23/2003



# ***Your Average GM***

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- **Pay Band 5(1) -- GS 14 equivalent**
- **Completing 25th year of service with AAFES**
- **In 12th AAFES duty position**
- **On 9th PCS, at least one of which was overseas**

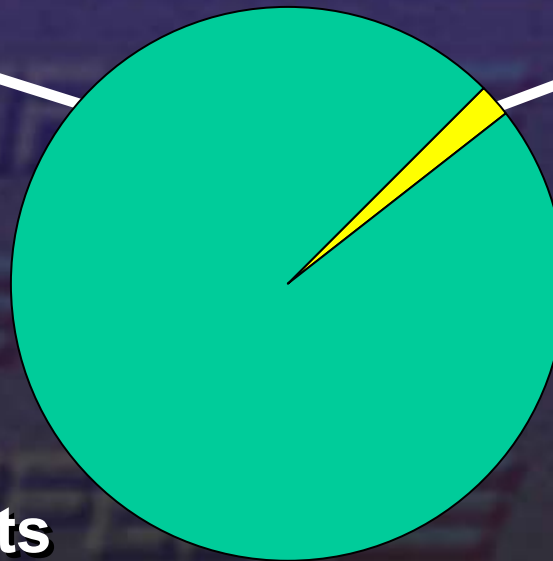


# ***Who Pays?***

**AAFES Dollars**  
**98%**

**Tax Dollars**  
**2%**

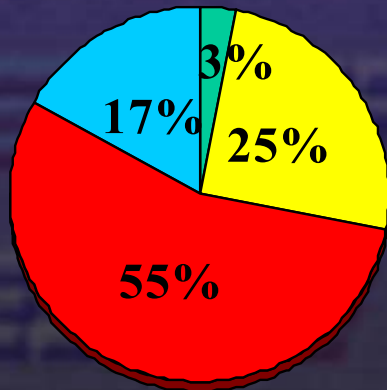
**Civilian salaries**  
**Store inventories**  
**CONUS utilities**  
**Capital investment**  
**Vehicles**  
**Most distribution costs**



**Overseas shipping**  
**Overseas utilities**  
**Military salaries**  
**Exterior repair**  
**Military phones**

# ***Employees & Customers***

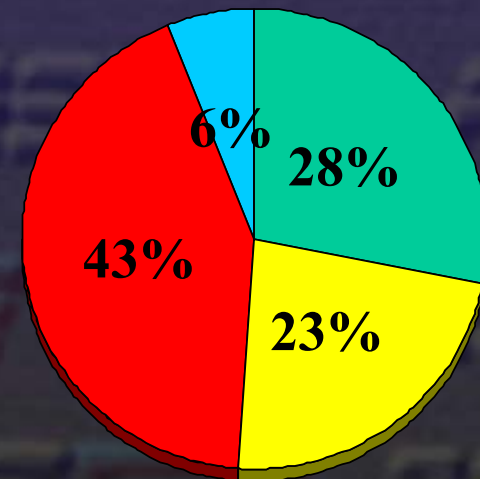
**52,000+  
Employees**



■ Active Duty  
■ Military Spouses & Family Members  
■ All Others  
■ LNs

**10.5 million  
Eligible Customers**

■ Active Duty      ■ Guard/Reserve  
■ Retiree          ■ Civ/Other





# ***Operations***

**Main Retail Stores**



**Shoppettes**

**Mini Malls**

**In-house Foods**



**Auto Repair**

**Furniture stores**



**Sports Stores**

**Power Zones**

**Food Plant Operations**



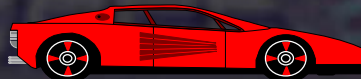
**Franchised Foods**

**Catalog Sales**



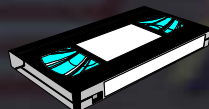
**New Car Sales**

**Barber/Beauty Shops**



**Video Rentals**

**BXMarts**



**Vending**

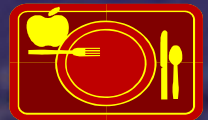


**Class Six**

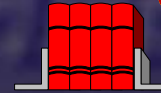
**Commodity Concessions**

**Film Processing**

**School Lunches**



**BookMarks**



**Movie Theaters**

**MCSS**



**Flower Shops**



**Optical Shops**

**Laundry/Dry Cleaning**



**Phone Centers**

**Watch Repair**



**Online Shopping**

**Medical Facilities**



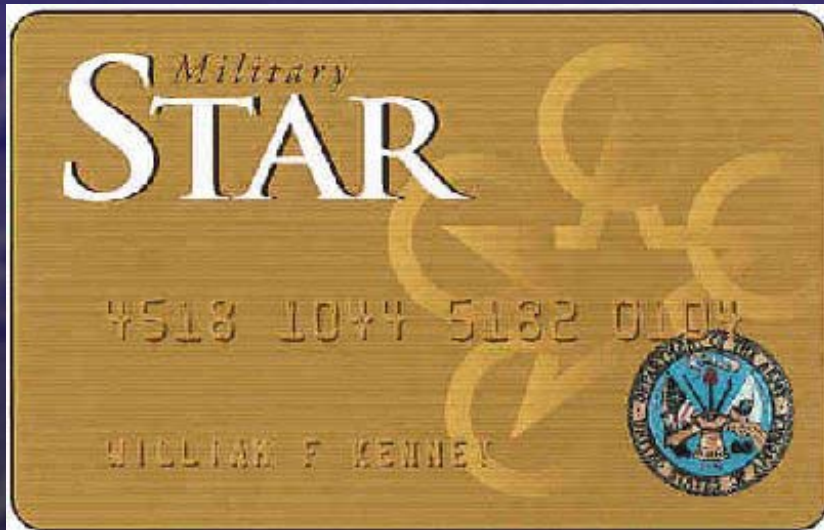
# ***Current Issues/Initiatives...***

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- **Military STAR Card promotion**
- **Best Brand...Best Prices**
- **AAFES Internet partnerships**
- **AAFES Food MOAs**
- **Elimination of SSN on checks**
- **Sharing “Best Practices” w/sister exchanges**



# ***Military STAR Card***



- All-Services card
- Competitive interest rates
- 25 day “True” grace period
- No Annual Fee
- Low monthly payments
- Contributions to MWR
- Unmatched deployment policy
  - no interest or payments

# ***Competitive Interest Rates***

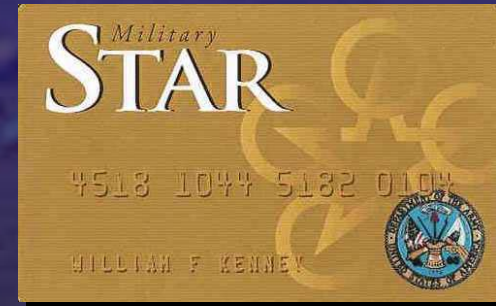
**MILITARY STAR 9.0%**

**Sears 21%-24%**

**JC Penney 21%-24%**

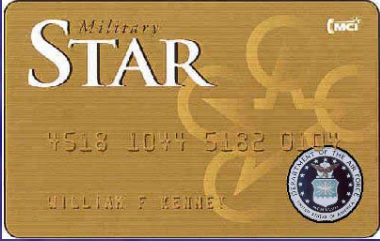
**Home Depot 21%**

**Target 21%**



| <b>Bank Cards</b> | <b>Fixed</b> | <b>Variable</b> |
|-------------------|--------------|-----------------|
| Standard          | 14.13%       | 13.81%          |
| Gold              | 15.93%       | 13.09%          |
| Platinum          | 13.95%       | 13.16%          |





# ***Deployed Credit Program***

- **OBJECTIVE:**

- Enhance Customer Service and better support our deployed members.

- **BENEFIT (Two Programs)**

- Interest reduction to 6%...account remains available for use
- Interest reduction to 0%...account is frozen during deployment period

- **GUIDELINES:**

- Travel to overseas in conjunction with a JCS deployment order > 90 days
- Unit provide AAFES
  - By name deployment listing with copy of orders
  - Length and dates of deployment

1/23/2006





# *Retail -- Private Labels*



Health  
and  
Beauty  
Care

**Jessi Lee**  
QUALITY GARMENTS

PASSPORTS

Softlines

Hardlines



AAFES

# ***Exchange Select***

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- Joint Exchange Service Program
- Same quality and value
- Uniform packaging
- Maximize efficiency
- Beginning July 2002





# Customer Choices

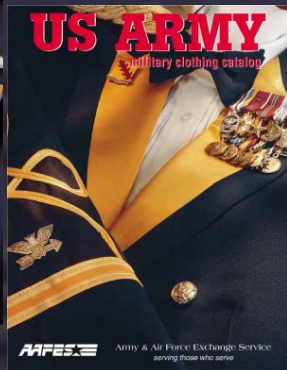
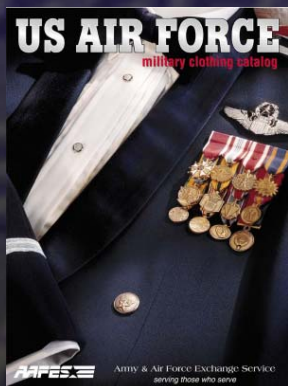
## 2 Big Books

- Fall/Winter
- Spring/Summer



## Supplements

- Holiday I
- Home Décor I
- Health & Fitness
- Baby
- Home Décor II



## Military Clothing

1/23/2003





# [www.aafes.com](http://www.aafes.com)

## Fort Bliss



**AAFES**

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[GM's Statement](#)

[Special Projects](#)

[On-Line Shopping](#)

[Sale Flyer!](#)

[Email the GM](#) | [Stayton Theater](#) | [Job Opportunities](#) | [Phone Directory](#)

Click Here  
To Enter The AAFES  
Treasure Chest Sweepstakes



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- **Online catalog**
  - 12,000+ items
  - accessible worldwide
- **Post/Base maps**
- **Instant access to**
  - star account info
  - customer service
  - weekly sales flyers
  - online contests

1/23/2003

**AAFES**

# ***AAFES Internet Concessions***

---

- **BAMM.com (Books-a million)**
- **Dell, Hewlett Packard, Apple Computers**
- **Compaq Computers (configured to order)**
- **The Parts House**
- **Automotive Tires from 24 manufacturers**
- **American Greetings online greeting cards**
- **French Toast School Uniforms**
- **Digital River Computer Software**
- **Major League Baseball**



# Full Range of Foods





# ***AAFES Recognition Programs***

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## **OBJECTIVE**

- **Recognize Outstanding Soldiers using a two tier approach**
  - **Post Level Award**
  - **MACOM Level Award**

# ***Level 1: Post***

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- **Soldier/NCO of the Month**
  - **Coupon Book**
- **Soldier/NCO of the Quarter**
  - **Coupon Book + \$50 Gift Certificate**
- **Soldier/NCO of the Year**
  - **Coupon Book + \$100 Gift Certificate**

# ***Level 2: MACOM***

---

- **MACOM**
  - **Soldier of the Year**
  - **NCO of the Year**
  - **\* Recruiter of the Year**
  - **\* Drill Sergeant of the Year**
  - \* Depending on Command**

**Current Program**

**\$250.00 Gift Certificate**



# ***What do YOU have to do?***

---

- **AAFES needs recognition also**
- **CG-CMS or GM will present awards**
- **Work with us**

**SO WE CAN RECOGNIZE YOUR  
OUTSTANDING PERFORMERS**

# More Recognition Avenues!



**RECOGNIZING EXCELLENCE!**

Your outstanding commitment and dedication to your country has been recognized as above and beyond the call of duty. In recognition of your excellent performance, we offer you these money-saving coupons as a token of our appreciation.

*We look forward to serving you!*

**AAFES** *Apart of your benefits... apart of your life!*

**Congratulations** on your re-enlistment!

We truly appreciate your continued dedication and service in the U.S. Armed Forces. Please accept the enclosed coupons as a token of our gratitude.

**AAFES** *Apart of your benefits... apart of your life!*

**"Thanks!"**

*As a token of our gratitude for your continued support, active and past, we've enclosed valuable money-saving coupons for you!*

**AAFES** *www.aafes.com... always open for your shopping convenience.*

**Welcome to the neighborhood!**

To make the first of your shopping experiences with us more exciting, we've enclosed money-saving coupons in this packet for you to use at the AAFES-BKFX, at our many restaurants and our many convenient services.

*We look forward to serving you!*

**AAFES** *Apart of your benefits... apart of your life!*



We Salute the Members of the

**NATIONAL GUARD AND RESERVE**

*As a token of our gratitude for your dedication and contributions to our great country, we've enclosed valuable money-saving coupons for you!*

**AAFES** *www.aafes.com... for shopping convenience anytime, day or night.*



**YOU MADE IT! WELL DONE!**

**MADE IN THE GRADE**

In Recognition of your Scholastic Achievements

**AAFES**

To our **Retired Military Customers**

*As a token of our gratitude for your continued support, active and past, we've enclosed valuable money-saving coupons for you!*

**AAFES** *www.aafes.com... convenient, safe & secure shopping.*





# ***Customer Satisfaction Index (CSI)***

---

- **Objectives**
  - **Determine Degree of Customer Satisfaction**
  - **Determine Drivers of Satisfaction**
  - **Establish Strategies to Improve Satisfaction**
- **Customer Satisfaction Index (CSI)**
  - **CONUS 73**
  - **FY01 71**
- **American Customer Satisfaction Index (ACSI)**
  - **AAFES improved 5.7% from 2000 and now sits at a 74 rating. The overall retail average score is 74.8**



# ***Business Worldwide***

---

**AAFES has over 2,400 facilities in more than 30 countries and in all 50 states.**

**They are operated either directly...**

- Main Stores
- Shoppettes
- Military Clothing Sales Stores
- Gas Stations
- Name Brand Fast Food
- Class Six Stores
- Combined Stores
- Deployed Exchanges

**...or via contract with local businesses.**

- Barber/Beauty Shops
- Optical
- Laundry/Dry Cleaning
- Car Rentals
- Flower Shops

# ***AAFES Goes Where You Go***

**Movies/ videos  
Retail merchandise**

**Health care products  
National Disasters**

**Food service**



1/23/2003

**AAFES** 



# ***AAFES ... We go where you go***

---

- **Operation Enduring Freedom**
- **Operation Noble Eagle (Homeland Defense)**
- **Balkans - (Bosnia, Hungary, Croatia, Kosovo, Macedonia)**
- **Exercise Victory Strike III (Poland)**
- **Exercise Bright Star '03/'04 (Egypt)**
- **Fire Fighting Support (Northwest)**

*MG K.G. Frost*

*Commander*

*24 Oct/22/2002*





# OPERATION ENDURING FREEDOM



Site 12

Site 13  
Site 14  
Site 15  
Site 19  
Site 21

Site 9

Site 11

Site 16  
Site 17  
Site 18

Site 4

Site 6

Site 10

Site 3  
Site 5  
Site 7

Site 1  
Site 2  
Site 8

Site 20  
CLASSIFIED

MG K.G. Frost  
Commander  
24 October 2002

**UNCLASSIFIED**



# ***Types of Field Support***

- **AAFES Imprest Fund**
  - Unit operated
  - Dependent on mission/exercise
  - Usually \$10,000 of merchandise
- **Tactical Field Exchange**
  - Military operated
- **Direct Operated Exchange (DOX-T)**
  - AAFES operated





# ***Current Issues/Initiatives...***

---

- **Focused Support to Deployed Forces**
- **Stored Value Card**
- **Military STAR Card Promotion**
- **CFSC/AAFES Food MOA**
- **Overseas New Car Sales / TDY Eligibility**
- **Sharing “Best Practices” w/Sister Exchanges**
- **Reserve/National Guard Outreach**
- **Free Movies Korea**
- **AAFES Internet Partnerships**

# ***How Can You Help?***

---

- **Partner with AAFES to ensure Quality of Life**
- **Use your GM as a member of your staff**
- **Support appropriated fund repairs**
- **Review loss/marginal activities with your GM**
- **Loss Prevention**
- **Include AAFES in VIP visits**



# ***AAFES Today***

---

- Net Worth-- \$3.2 Billion
- Total Revenue—\$7.3 Billion
- Would rank 263rd on the Fortune 500
  - 10th largest general merchandiser
  - 79th largest retailer worldwide
- 4th largest Burger King franchisee
- Anthony's Pizza would be 13th largest U.S. franchise
- AAFES CIO ranked in the top five
- Consumer Electronics Retailer of the Year— 2 years in a row
- Web Marketing Association's Standard of Excellence awards— 2002
- Military STAR card is 7<sup>th</sup> largest private label retail card

# ***The Future***

---

- **Sharp, systematic focus on Customer Satisfaction**
  - selection, price, in stock, courtesy
- **Added emphasis on overseas customer & operations**
- **Hot pursuit of low cost operations & beneficial partnerships**



# Army & Air Force Exchange Service

## *"We go where you go"*



Karshi-Khanabad, UZB  
Kandahar, AFG



Jacobabad, PAK



Doha, QTR